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PART IV-B

Rules and Orders (Other than those published in Parts I, I-A, and I-L) made
by the Government of Gujarat under the Gujarat Acts

INDUSTRIES AND MINES DEPARTMENT

NOTIFICATION

Sachivalaya, Gandhinagar, 27th January, 2022.

Gujarat Municipalities Act, 1963.

No.GHU-102022(4)-GID-102009-961(P.F.-1)-G :- WHEREAS, certain draft rules were published as required by sub-section (3) of section 277 of the Gujarat Municipalities Act, 1963 (Guj. 34 of 1964), at pages 22-1 to 22-6 in the Gujarat Government Gazette, Extraordinary, Part IV-B, dated the 18th January, 2021, under the Government Notification Industries and Mines Department No. GHU:102021-(3)-GID-102009-961 (P.F.-1)-G, dated the 18th January, 2021, inviting objections and suggestions from all persons likely to be affected thereby within a period of thirty days from the date of publication of the said notification in the *Official Gazette*;

AND WHEREAS, no objection or suggestion has been received by the Government in respect of the said notification;

NOW THEREFORE, in exercise of powers conferred by section 264B read with section 277 of the Gujarat Municipalities Act, 1963 (Guj. 34 of 1964), the Government of Gujarat hereby makes the following rules, namely :-

1. **Short Title:-** These rules may be called the Palej Notified Area Consolidated Tax Rules, 2022.
2. **Definitions:-** In these rules, unless the context otherwise requires –
 - (a) ‘Act’ means the Gujarat Municipalities Act, 1963(Guj. 34 of 1964);
 - (b) ‘Allotment’ means land or building belonging to the Government or Corporation disposed of by the Corporation, by way of sale, hire purchase or lease;
 - (c) ‘Building’ means a building as defined in clause (2) of section 2 of the Act;
 - (d) ‘building used for residential purpose’ means any building or set of buildings within the same enclosure used by one and the same occupier as a human dwelling or as a place for the custody of property including animals, not intended for sale in the ordinary course or trade;

- (e) **‘building used for business purpose’** means any building or set of buildings within the same enclosure used by one and the same occupier for preparing or manufacturing any kind of goods or providing services, or for trade, or for transport business, or for any purpose other than residential;
- (f) **‘Capital Value’** means the market value of land and buildings as defined under these rules at the time of assessment from time to time;
- (g) **‘Corporation’** means Gujarat Industrial Development Corporation constituted under the Gujarat Industrial Development Act, 1962(Guj. XXII of 1962);
- (h) **‘Consolidated tax’** means the tax imposed in the notified area under these rules;
- (i) **‘land’** means the land as defined in clause (11) of section 2 of the Act;
- (j) **‘Market Value of Building’** means the prevailing cost of construction of Building per unit area as may be notified by the Corporation year to year based on the standard specifications adopted in the construction of building less the depreciation as per Schedule-I: Provided that the market value shall be increased or decreased up to 10% by the Notified Area Authority in cases where higher or lower specifications than the standard specifications of the Corporation are used in respect of construction of private buildings;
- (k) **‘Market Value of Land’** means the allotment price of Land as may be prevailing on 1st April 1998 for industrial, residential and commercial purpose as declared by the Corporation. It will however be (1) 50% of such price in case of allottee occupying the property prior to 31st March 1990 and (2) 75% of such price in case of allottee occupying the property during the period 1st April 1990 to 31st March 1998;
- (l) **‘Notified Area Authority’** means Board of Management appointed under clause (b) of sub section (1) of section 16 of the Gujarat Industrial Development Act, 1962;
- (m) **‘Notified area’** means Palej Notified area
- (n) **‘occupier’** means an allottee of the Corporation as a licensee, a lessee or an owner of property by virtue of conveyance deed as the case may be, or a person in possession of property by virtue of rent, lease or as a caretaker, trustee or otherwise or other owners of property situated within the Notified Area for the time being receiving the rent of any land or building whether on his own account or as an agent or trustee for any other person or for any other society or for any religious or charitable purpose or who would so receive the rent if such land or building were let to a tenant;
- (o) **‘owner’** means an owner as defined in clause (18) of section 2 of the Act;
- (p) **‘Rateable value’** means net amount arrived at after deducting a sum equal to 10% from the gross amount calculated at the rate of 6% of the Capital Value of the Land and Building in question. The capital value being the market value of land and building in the notified area at the time of assessment of land and building;
- (q) **‘year’** means a financial year.

3. Rate of Consolidated Tax: - (1) A consolidated tax on all buildings and lands situated within the limits of Notified Area shall be levied at the rates specified in the Schedule-II, and Schedule-III in lieu of the following taxes:-

- (a) **Tax on buildings or lands or both,**
- (b) **General Sanitary cess,**
- (c) **Lighting tax.**
- (ii) **Increase in Consolidated Tax:** The quantum of tax arrived at as per the rates specified in Schedule-II and Schedule-III shall be increased between 5% and 10% every year on non-compound basis, in consultation with Board of Management. However, this increase shall not be beyond 40% in each block year of four years than the previous block year or the Consolidated Tax that is arrived at after taking in to consideration the market value of land and building at the time of quadrennial revision, whichever is less;
- (iii) **Quadrennial Revision of Assessment.-** All properties situated in Notified Area once assessed for consolidated tax shall be subjected to quadrennial revision for every block year of four years applying the market rate of lands and building prevalent at the time of assessment and the

consolidated tax shall be revised accordingly subject to the ceiling in the increase in the incidence of tax as stated hereunder;

- (iv) **Ceiling on the increase in the incidence of tax due to increase in Capital value.**- Once a property is assessed and its consolidated tax is fixed as per the prevailing market rate of land and building and at the time of quadrennial revision for the subsequent block years the incidence of the tax increases beyond 40% of the tax levied in the previous block, the increase in the incidence of tax shall be restricted to 40% of the consolidated tax assessed in the previous block year in respect of the aforesaid property.

4. EXEMPTION.- (1) The following shall be exempted from the consolidated tax:-

- (a) Buildings and land belonging to the Central or the State Government, Panchayat, District School Board, and Municipal School Buildings;
 - (b) All buildings and lands which are declared protected monuments within the meaning of Ancient Monuments and Archyological Sites and Remains Act, 1958(24 of 1958) or the Gujarat Ancient Monuments and Archaeological Sites and Remains Act, 1965 and not yielding any revenue or rent;
 - (c) All buildings and lands or portions thereof used or occupied exclusively for public worship or for schools, colleges, social and charitable institutions not making any profit.
- (2) Any occupier engaged in the manufacture of goods and services shall be exempted from the payment of tax as follows:-
- (i) Total exemption for first year beginning from the date of allotment.
 - (ii) 50% exemption for the second year.
- (3) Any occupier, not being an allottee of the Corporation shall not be entitled to the exemption as stated above for the first and second year in which the land and building was put to use for manufacturing of goods and services.
- (4) The properties belonging to Corporation shall be exempted from the payment of tax as follows:
- (i) the properties, which have not been allotted or rented, shall be fully exempted.
 - (ii) the properties allotted and resumed by the Corporation, shall be taxed on the lines of closed units.

5. Assessment and liability of the Consolidated Tax:-

- (1) The tax shall be assessed and recovered so far as applicable to, in accordance with the provisions of the Act,
- (2) An owner or occupier shall be jointly and severally liable for the payment of tax under these rules,
- (3) The owner or occupier of the superstructure of the building be jointly and severally liable for the payment of tax under these rules,
- (4) When any owner / occupier transfers his property in favour of other person by sale, lease or mortgage, the new owner or occupier of the property shall have to pay tax as per the prevailing market rate of land and building at the time of transfer.
- (5) The tax shall be payable in advance in two installments on or before the first day of April and first day of October in each year. After expiry of thirty days of service of bill, penal interest at the rate of 15% per annum shall be levied in addition to amount of consolidated tax payable.
- (6) **Coercive measures for recovery of Consolidated Tax:-** The Notified Area Authority shall take coercive measures for the recovery of Consolidated Tax from the defaulter under section 133 and 134 of the Act.

6. Remissions and Refund: -

- (1) Where any building or land remained vacant and has not been used throughout the year or part thereof and the notice to that effect is given to the Notified Area Authority, the remission or refund of three – fourth of the amount of tax shall be granted from the date of intimation: Provided that no remission or refund shall take effect for any period prior to the date of receipt of such notice and such notice shall be given each year, If, the property continues to remain vacant.

- (2) When any part of the building is demolished, the remissions or refund may be granted to the extent of reduction in the value of the property on the date of intimation of demolition.
- 7. Notice in writing to be given:-** It shall be the duty of the owner or occupier of a building or land to give a notice in writing to the Notified Area Authority within one month, when -
- a building is newly erected or constructed;
 - a building, which has been already assessed, is either extended, rebuilt, reconstructed or additions and alterations are made thereto or improvement has been made so as to raise its capital value.
 - a building or land which has already been assessed is divided;
 - a building is wholly or in part demolished or otherwise is in such state that it decreases its letting value.
- Explanation.** – For the purpose of this rule, The period of one month shall be counted from the date of completion or occupation of the building whichever is earlier in case of (a), (b), and (c) and from the date of occurrence of the event in case of (d) above.
- 8. Assessment on receipt of notice:-** (1) When a notice in writing under rule 7 is received, the Notified Area Authority, after making such inquiry as he deems necessary, shall cause the building or land, as the case may be to be assessed.
- (2) After such assessment is made, the Notified Area Authority shall enter such valuation in a separate list and at the end of the year; such change made in the assessment, shall be entered in the authenticated assessment list.
- 9. Name of the owner in Assessment list, when the succession in dispute:-** When there is any dispute about the succession of any person whose name is entered as owner of any property in the assessment list, the name of such of the claimants to succession as in the possession of the property by actual occupation shall be entered as occupier in the assessment list and the tax shall be recovered from him/ them until the settlement of the dispute or on the production of the order of a competent court.
- 10. Transferor and Transferee to give notice in writing.-** Whenever, the title of any person primarily liable for payment of the tax in respect of any building or land is transferred by an instrument in writing or otherwise, the transferor and the transferee shall within three months after the transfer is effected, give notice in writing to the Notified Area Authority, who after making such inquiry as he deems necessary, order that the name of the transferee shall be entered in the assessment list in place of the transferor subject to prior clearance of arrears of consolidated tax due on the land and building. The transferee, thereafter, shall be liable for the payment of tax that may become due in respect of the property so transferred.
- 11. Heirs to give notice and their liability.-** In the case of the death of the owner of any land and building, primary liability for the payment of the tax shall be of the person to whom the title of the property of the deceased has been transferred as heir or otherwise. Such person shall give a notice of such transfer to the Notified Area Authority within three months from the date of the death of the deceased. The Notified Area Authority may after making such inquiry as he deems necessary, pass an order that the names of the heirs of the deceased may be entered in the assessment list and such heirs shall be liable for payment of tax due for the whole year including arrears of tax.
- 12. Decision to be final:-** The decision of the Notified Area Authority relating to tax and other matters thereto shall be final.

SCHEDULE-I

(See rule 2(J))

Manner of giving depreciation in the cost of a building while assessing the Consolidated Tax.

Building shall be classified into three categories for the purpose of valuation of capital value and they shall be given depreciation as per following norms:

Category	Type of Building	Rates of Depreciation
A	RCC structure + slab roof (Expected life 90 years)	Nil for 5 years, 1 % every year thereafter

Category	Type of Building	Rates of Depreciation
B	Pucca construction with AC sheet Roof. (Expected life 75 years)	Nil for 5 years, 2 % every year thereafter
C	Semi Pucca construction of tin roof. (Expected life 30 years)	Nil for 3 years, 3 % every year thereafter

SCHEDULE-II

(see rule 3 (1))

Rates of Consolidated Tax for Industrial and Commercial Properties for Palej Notified Area.

Name of Notified Area	Rate of Consolidated Tax
(1)	(2)
Palej Notified Area (Taluka Bharuch) (District Bharuch)	(i) 12% on net rateable value not exceeding Rs.16,199/- (for properties valued up to rupees three lacs).
	(ii) 12.5 % on net rateable value exceeding Rs.16,199/- but not exceeding Rs. 27,000/- (for properties valued above rupees three lacs and up to Rupees five lacs)
	(iii) 13.5 % on net rateable value exceeding Rs.27,000/- for properties valued above rupees five lacs).

SCHEDULE-III

(see rule 3 (1))

Rates of Consolidated Tax for residential properties and properties belonging to schools, colleges, social and Charitable institutions yielding any revenue or rent for Palej Notified Area.

Type of Residential Properties	Rates of Consolidated Tax
(1)	(2)
For properties not exceeding 30 square meters built up area	5% of net rateable value.
For properties exceeding 30 square meters but not exceeding 50 square meters built up area	7% of net rateable value
For properties exceeding 50 square meters but not exceeding 100 square meters built up area	8% of net rateable value
For properties exceeding 100 square meters built up area	10 % of net rateable value

Note: When owner or occupier of the residential property or of a property having low tax rate converts the property or part thereof in to a use having higher tax rate, the portion of property so converted shall be assessed according to its changed use.

By order and in the name of the Governor of Gujarat,

B. S. MEHTA,

Joint Secretary to Government.

